

Executive Summary – Enforcement Matter – Case No. 47881
Chevron Phillips Chemical Company LP
RN100215615
Docket No. 2013-2048-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Chevron Phillips Chemical Orange Polyethylene Plant, 5309 Farm-to-Market Road
1006, Orange, Orange County

Type of Operation:

High density polyethylene manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: March 7, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$9,450

Amount Deferred for Expedited Settlement: \$1,890

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$7,560

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: July 26, 2013

Date(s) of NOE(s): October 8, 2013

Executive Summary – Enforcement Matter – Case No. 47881
Chevron Phillips Chemical Company LP
RN100215615
Docket No. 2013-2048-AIR-E

Violation Information

1. Failed to submit an initial notification into the State of Texas Environmental Electronic Reporting System for a reportable emissions event no later later than 24 hours after the discovery of the emissions event and failed to submit a final report no later than 14 days after the end of an emissions event. Specifically, the initial notification for Incident No. 185575 was submitted 1,263 days late and the final report was 1,251 days late [30 TEX. ADMIN. CODE §§ 101.201(a)(1), 101.201(b), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O1310, Special Terms and Conditions 2.F.].
2. Failed to prevent unauthorized emissions. Specifically, an inboard bearing failure on the C Particle Form Reactor circulating pump caused operations to initiate an emergency shutdown that required the isobutane reactor to be drained to the dump tank and vented to the flare. This led to an unauthorized release of 752.01 pounds of volatile organic compounds from Emissions Point No. 58 during an emissions event that began on January 29, 2010 and lasted 7 hours and 6 minutes (Incident No. 185575). Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1310, Special Terms and Conditions No. 10, and New Source Review Permit No. 19394, Special Conditions No. 1].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days:
 - i. Implement measures designed to ensure that initial notifications and final reports for emissions events are timely submitted; and
 - ii. Update and implement training and operating procedures designed to prevent recurrences of emissions events due to similar causes as Incident No. 185575.
- b. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.

Executive Summary – Enforcement Matter – Case No. 47881
Chevron Phillips Chemical Company LP
RN100215615
Docket No. 2013-2048-AIR-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Rajesh Acharya, Enforcement Division,
Enforcement Team 4, MC 149, (512) 239-0577; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: Rick A. Kinder, Plant Manager, Chevron Phillips Chemical Company LP,
5309 Farm-to-Market Road 1006, Orange, Texas 77630
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	14-Oct-2013	Screening	23-Oct-2013	EPA Due	16-Jun-2014
	PCW	23-Oct-2013				

RESPONDENT/FACILITY INFORMATION

Respondent	Chevron Phillips Chemical Company LP				
Reg. Ent. Ref. No.	RN100215615				
Facility/Site Region	10-Beaumont		Major/Minor Source	Major	

CASE INFORMATION

Enf./Case ID No.	47881	No. of Violations	2
Docket No.	2013-2048-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Rajesh Acharya
		EC's Team	Enforcement Team 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$7,500
---	-------------------	----------------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	26.0%	Enhancement	Subtotals 2, 3, & 7	\$1,950
---------------------------	--------------	--------------------	--------------------------------	----------------

Notes: Enhancement for three NOV's with same or similar violations, two NOV's with dissimilar violations, and one order containing a denial of liability. Reduction for three notices of intent to conduct an audit and one environmental management system.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
--------------------	----	-------------	--------------------	-------------------	------------

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
--	-------------------	------------

Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
-------------------------	-------------	---------------------	-------------------	------------

Total EB Amounts: \$883
Approx. Cost of Compliance: \$4,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$9,450
-----------------------------	-----------------------	----------------

OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
---	-------------	-------------------	------------

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$9,450
-----------------------------	----------------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$9,450
-----------------------------------	-------------------------------	----------------

DEFERRAL	20.0%	Reduction	Adjustment	-\$1,890
-----------------	--------------	------------------	-------------------	-----------------

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$7,560
------------------------	----------------

Screening Date 23-Oct-2013

Docket No. 2013-2048-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 47881

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100215615

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	3	15%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	3	-3%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	Yes	-10%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 26%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for three NOVs with same or similar violations, two NOVs with dissimilar violations, and one order containing a denial of liability. Reduction for three notices of intent to conduct an audit and one environmental management system.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 26%

Screening Date 23-Oct-2013

Docket No. 2013-2048-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 47881

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100215615

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 101.201(a)(1), 101.201(b), and 122.143(4), Tex. Health & Safety Code § 382.085(b), and Federal Operating Permit ("FOP") No. 01310, Special Terms and Conditions No. 2.F.

Violation Description Failed to submit an initial notification into the State of Texas Environmental Electronic Reporting System for a reportable emissions event no later than 24 hours after the discovery of the emissions event. Also, failed to submit a final report no later than 14 days after the end of an emissions event. Specifically, the initial notification for Incident No. 185575 was submitted 1,263 days late and the final report was 1,251 days late.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2

1263 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$5,000

Two single events (one for each report) are recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$5,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$331

Violation Final Penalty Total \$6,300

This violation Final Assessed Penalty (adjusted for limits) \$6,300

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
 Case ID No. 47881
 Reg. Ent. Reference No. RN100215615
 Media Air
 Violation No. 1

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	30-Jan-2010	29-Jun-2014	4.41	\$331	n/a	\$331

Notes for DELAYED costs

Estimated cost to implement measures designed to ensure that initial notifications and final reports for emissions events are timely submitted. Date Required is the date the initial notification was due. Final Date is the estimated compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$331

Screening Date 23-Oct-2013

Docket No. 2013-2048-AIR-E

PCW

Respondent Chevron Phillips Chemical Company LP

Policy Revision 2 (September 2002)

Case ID No. 47881

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100215615

Media [Statute] Air

Enf. Coordinator Rajesh Acharya

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01310, Special Terms and Conditions No. 10, and New Source Review Permit No. 19394, Special Conditions No. 1.

Violation Description

Failed to prevent unauthorized emissions. Specifically, an inboard bearing failure on the C Particle Form Reactor circulating pump caused operations to initiate an emergency shutdown that required the isobutane reactor to be drained to the dump tank and vented to the flare. This led to unauthorized release of 752.01 pounds of volatile organic compounds from Emissions Point No. 58 during an emissions event that began on January 29, 2010 and lasted 7 hours and 6 minutes (Incident No. 185575). Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$2,500

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$552

Violation Final Penalty Total \$3,150

This violation Final Assessed Penalty (adjusted for limits) \$3,150

Economic Benefit Worksheet

Respondent Chevron Phillips Chemical Company LP
Case ID No. 47881
Reg. Ent. Reference No. RN100215615
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$2,500	29-Jan-2010	29-Jun-2014	4.42	\$552	n/a	\$552
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to update and implement training and operating procedures to prevent the recurrence of emissions events. Date Required is the date the emissions event began. Final Date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$552

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

PENDING Compliance History Report for CN600303614, RN100215615, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

Customer, Respondent, or Owner/Operator: CN600303614, Chevron Phillips Chemical Company LP **Classification:** SATISFACTORY **Rating:** 11.32

Regulated Entity: RN100215615, CHEVRON PHILLIPS CHEMICAL ORANGE POLYETHYLENE PLANT **Classification:** SATISFACTORY **Rating:** 0.94

Complexity Points: 17 **Repeat Violator:** NO

CH Group: 05 - Chemical Manufacturing

Location: 5309 FM 1006 ORANGE, TX 77630-8030, ORANGE COUNTY

TCEQ Region: REGION 10 - BEAUMONT

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER OC0012Q

WASTEWATER PERMIT WQ0000359000

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD008088833

AIR NEW SOURCE PERMITS PERMIT 583A

AIR NEW SOURCE PERMITS PERMIT 2017A

AIR NEW SOURCE PERMITS REGISTRATION 13293A

AIR NEW SOURCE PERMITS REGISTRATION 27481

AIR NEW SOURCE PERMITS REGISTRATION 45682

AIR NEW SOURCE PERMITS REGISTRATION 55298

AIR NEW SOURCE PERMITS REGISTRATION 70758

AIR NEW SOURCE PERMITS REGISTRATION 73257

AIR NEW SOURCE PERMITS REGISTRATION 96158

AIR NEW SOURCE PERMITS REGISTRATION 100492

AIR NEW SOURCE PERMITS REGISTRATION 113894

AIR NEW SOURCE PERMITS REGISTRATION 109193

WASTEWATER LICENSING LICENSE WQ0000359000

AIR EMISSIONS INVENTORY ACCOUNT NUMBER
OC0012Q

Compliance History Period: September 01, 2008 to August 31, 2013

Date Compliance History Report Prepared: October 21, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: October 21, 2008 to October 21, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Rajesh Acharya

Phone: (512) 239-0577

Rating Year: 2013

Rating Date: 09/01/2013

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

1 Effective Date: 04/11/2010 ADMINORDER 2009-1466-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.146(1)
30 TAC Chapter 122, SubChapter B 122.146(2)
5C THSC Chapter 382 382.085(b)
Rqmt Prov:O-01310, General Terms and Conditions OP
Description: Failure to submit annual permit compliance certification no later than 30 days after the end of the certification period to certify compliance with the terms and conditions of FOP O-01310.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	November 20, 2008	(727448)
Item 2	December 16, 2008	(727449)
Item 3	January 23, 2009	(750211)
Item 4	February 24, 2009	(750209)
Item 5	March 19, 2009	(750210)
Item 6	June 08, 2009	(768314)
Item 7	June 22, 2009	(804525)
Item 8	July 17, 2009	(804526)
Item 9	August 21, 2009	(804527)
Item 10	September 17, 2009	(804524)
Item 11	October 16, 2009	(804529)
Item 12	November 19, 2009	(804530)
Item 13	December 21, 2009	(804531)
Item 14	January 15, 2010	(804532)
Item 15	February 07, 2010	(785585)
Item 16	February 16, 2010	(804523)
Item 17	March 16, 2010	(793553)
Item 18	March 23, 2010	(830834)
Item 19	April 19, 2010	(830835)
Item 20	June 15, 2010	(846252)
Item 21	June 23, 2010	(803886)
Item 22	July 19, 2010	(860847)
Item 23	August 12, 2010	(866813)
Item 24	September 17, 2010	(873885)
Item 25	October 05, 2010	(881486)
Item 26	November 15, 2010	(888015)
Item 27	December 10, 2010	(896220)
Item 28	February 07, 2011	(909065)
Item 29	March 10, 2011	(916328)
Item 30	May 12, 2011	(938009)
Item 31	June 14, 2011	(945332)
Item 32	July 13, 2011	(952606)
Item 33	August 11, 2011	(959287)
Item 34	September 14, 2011	(965320)
Item 35	October 10, 2011	(971360)
Item 36	November 10, 2011	(977520)
Item 37	December 09, 2011	(984286)
Item 38	January 10, 2012	(990588)
Item 39	February 07, 2012	(997949)

Special Conditions 10(A) PERMIT
Special Terms and Conditions 10(A) OP

Description: Failure to maintain the minimum net heating value of gas being combusted for a flare at or above 300 British thermal units per standard cubic feet (Btu/scf).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT DDD 60.562-1(e)
5C THSC Chapter 382 382.085(b)
Special Conditions 6 PERMIT
Special Terms and Conditions 10(A) OP

Description: Failure to maintain the control valve on the bypass line to the catalytic thermal oxidizer in the closed position by a car seal or locking device.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.13(c)(2)
5C THSC Chapter 382 382.085(b)
Special Conditions 6 PERMIT
Special Terms and Conditions 10(A) OP

Description: Failure to submit copies of the stack testing results to the Texas Commission on Environmental Quality (TCEQ) Beaumont Regional Office within 60 days of the completion of the performance evaluation.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Conditions 1 PERMIT
Special Terms and Conditions 10(A) OP

Description: Failure to maintain emissions below the maximum allowable emission rates (MAERT) for New Source Review (NSR) Permit Number 4140A.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
Special Conditions 8 PERMIT
Special Terms and Conditions 10(A) OP

Description: Failure to conduct the annual calibration on the differential pressure transmitter for emission point number (EPN) 69 on H-line extruder in the C-Particle Form (CPF) Unit.
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)
30 TAC Chapter 122, SubChapter B 122.145(2)(A)
30 TAC Chapter 122, SubChapter B 122.145(2)(B)
30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THSC Chapter 382 382.085(b)
Special Terms and Conditions 16 OP

Description: Failure to submit an accurate Title V Semiannual Deviation Report (SDR).
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(H)(i)
30 TAC Chapter 116, SubChapter B 116.116(a)
30 TAC Chapter 116, SubChapter B 116.116(b)(1)
30 TAC Chapter 122, SubChapter B 122.143(4)
5C THSC Chapter 382 382.085(b)
General Conditions H PERMIT
Special Terms and Conditions 10(A) OP

Description: Failure to accurately represent the emissions from emission point number (EPN) 69 in the 19394 permit application.

4

Date: 09/11/2013 (1116105) CN600303614
Self Report? NO Classification: Moderate
Citation: EL&MR 1 PERMIT
Description: Failure by Chevron Phillips Orange Plant to comply with permit effluent limitations. The reported zinc loading of 10.5 pounds per day in 5/10/2013 exceeds the maximum permitted limit of 5.91 lb/d.
Self Report? NO Classification: Moderate
Citation: EL&MR 1 PERMIT
Description: Failure by Chevron Phillips Orange Plant to comply with permit effluent limitations. The pH of 4.1 SU measured on 8/07/2013 was below the minimum permitted limit of 6.0 SU. Mr. Smith explained that the low pH incident occurred during a pH adjustment procedure conducted by a facility Operator.

Self Report? NO Classification: Moderate
Citation: OR 2 PERMIT
Description: Failure by Chevron Phillips Orange Plant to submit noncompliance notifications for violations of daily maximum limitations.

The reported daily maximum loading of zinc was 10.5 lb/d on 5/10/13, exceeding the permit limit of 5.91 lb/d. Chevron Phillips Orange Plant failed to submit a notification for the violation of daily maximum zinc limitation.

5 Date: 10/16/2013 (1114616)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
40 CFR Chapter 60, SubChapter C, PT 60, SubPT A 60.8(a)
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.7(g)(1)
5C THSC Chapter 382 382.085(b)
Special Condition 6(A) PERMIT
Special Condition 6(B) PERMIT
Description: Failure to submit a test report in a timely manner.

F. Environmental audits:

Notice of Intent Date: 09/17/2010 (870248)
No DOV Associated

Notice of Intent Date: 06/18/2012 (1014649)
No DOV Associated

Notice of Intent Date: 08/03/2012 (1074125)
No DOV Associated

G. Type of environmental management systems (EMSs):

1 ENVIRONMENTAL MANAGEMENT SYSTEM 30 TAC CERTIFIED

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CHEVRON PHILLIPS CHEMICAL
COMPANY LP
RN100215615**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-2048-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Chevron Phillips Chemical Company LP ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a high density polyethylene manufacturing plant at 5309 Farm-to-Market Road 1006 in Orange, Orange County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about October 13, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Nine Thousand Four Hundred Fifty Dollars (\$9,450) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Seven Thousand Five Hundred Sixty Dollars

(\$7,560) of the administrative penalty and One Thousand Eight Hundred Ninety Dollars (\$1,890) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to submit an initial notification into the State of Texas Environmental Electronic Reporting System for a reportable emissions event no later later than 24 hours after the discovery of the emissions event and failed to submit a final report no later than 14 days after the end of an emissions event, in violation of 30 TEX. ADMIN. CODE §§ 101.201(a)(1), 101.201(b), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), and Federal Operating Permit ("FOP") No. O1310, Special Terms and Conditions 2.F., as documented during a record review conducted on July 26, 2013. Specifically, the initial notification for Incident No. 185575 was submitted 1,263 days late and the final report was 1,251 days late.
2. Failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1310, Special Terms and Conditions No. 10, and New Source Review Permit No. 19394, Special Conditions No. 1, as documented during a record review conducted on July 26, 2013. Specifically, an inboard bearing failure on the C Particle Form Reactor circulating pump caused operations to initiate an emergency shutdown that required the isobutane reactor to be drained to the dump tank and vented to the flare. This led to an unauthorized release of 752.01 pounds of volatile organic compounds from Emissions Point No. 58 during an emissions event that began on January 29, 2010 and lasted 7 hours and 6

minutes (Incident No. 185575). Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Chevron Phillips Chemical Company LP, Docket No. 2013-2048-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Implement measures designed to ensure that initial notifications and final reports for emissions events are timely submitted; and
 - ii. Update and implement training and operating procedures designed to prevent recurrences of emissions events due to similar causes as Incident No. 185575.
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false

information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission,

including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Bernard Marcus
For the Executive Director

4/14/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Rick A. Kinder
Signature

February 4, 2014
Date

Rick A. Kinder
Name (Printed or typed)
Authorized Representative of
Chevron Phillips Chemical Company LP

Plant Manager - Orange Plant
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.